the Supreme Court are in line with the request made by the petitioner Cooperative Banks in their appeal petitions, this order of the Supreme Court is not likely to place the Cooperative Banks in any disadvantageous position for purpose of recovery of their dues.

Cooperative Banks can also take recourse to provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of their dues. There is no proposal to amend the RDB Act 1993.

(e) and (f) As UCBs are subjected to dual control by the RBI and the respective State Government, MoU Seeks to put in place an arrangement through which there is a convergence on the approach and remedial action to be taken for facilitating the development of the sector. The MoU, *inter-alia*, provides for:—

(i) Constituting a State level Task Force for UCBs (TAFCUB) for identification and drawing up of a time bound action plan for the revival of potentially vible UCBs and non disruptive exit for non-viable UCBs.

(ii) Facilitating human resource development and IT initiatives in UCBs.

(iii) Professionalisation of Audit *i.e.* statutory audit by Chartered Accountant for UCBs with deposit over Rs. 25 crore.

(iv) Putting in place fit and proper criteria for the Chief Executive Officers based on the guidelines of the bank.

Consequent upon signing of MoU, a State Level Task Force for UCBs (TAFCUB) has been constituted for 13 States. These States constitute majority of the UCBs. The TAFCUB consists of representation from RBI, State Government and UCBs.

Further, the Government has approved a revival package to strengthen Short-Term Rural Cooperative Credit Structure (STCCS). 13 States has signed a Memorandum of Undersstanding (MoU) with Central Government and NABARD for carrying out certain legal and institutional reforms.

Financial assistance for STCCS under the package is available for cleansing of Balance Sheet as on 31st March 2004 and increasing the capital to a specified minimum level subject to legal and institutional reforms. In order to ensure that STCCS continues on sound financial, managerial and goverance norms, technical assistance is to be provided to upgrade institutional and human resources of CCS, computerization and setting up proper internal control and accounting systems.

Circulation of fake currency in the country

1533. SHRI DARA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the circulation of fake currency seized by RBI and other banks during the last one year;

(b) whether the steps taken by Government to prevent circulation of fake currency in the country are not sufficient;

(c) if so, the reasons therefor; and

(d) the latest strong measures proposed to be taken by Government to arrest the circulation of fake currencies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Reserve Bank of India has informed that the Fake Indian Currency Notes (FICN) detected through banking channels from April, 2006 to March, 2007 was only 1,04,743 pieces. Value of these pieces is Rs. 2,31,90,300 (Rupees two crores, thirty one lakh, ninety thousand and three hundred only).

(b) to (d) The steps taken by the Government to curb circulation of Fake Indian Currency Notes in the country include stepping of vigilance by the Border Security Force and Custom authorities to prevent smuggling of fake notes; dissemntation of information of security features through print and electronic media and formation of Forged Note Vigilance Cells in all the Head Offices of the banks. Additional security features have also been incorporated in the bank note to make counterfeiting very difficult. In addition, Government of India have nominated the Central Bureau of Investigation as the Nodal agency to monitor investigation of fake currency note cases. The RBI has also strengthened the mechanism for detection of counterfeit notes by the Banks.

Latest measures taken by RBI are as under:

(i) Process has been initiated to identify bank branches handling more volumes of cash across the country and also in the vicinity of international borders for installation of Note Sorting Machines.

(ii) Dissemination of information to the public.

(iii) Stepping up of training in detection of counterfeit notes for banks/other agencies.

Revival of Co-operative Banks

†1534. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) whether Government has formulated any scheme for the revival of Co-operative Banks in collaboration with the Asian Development Banks;

(b) if so, the details thereof;

(c) whether it is a fact that setting up of a national level Co-operative Bank for the banks working at State and District levels was accepted in principle in 1993; and

(d) if so, the steps taken to fulfil the loan and banking requirements of the rural and urban middle class alongwith the poor and farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Government of India has formulated a Revival Package for Short Term Cooperative Credit Structure (STCCS) with a financial outlay of Rs. 13596 crore. In this process, alongwith other organisation, the Asian Development Bank has also extended financial support by way of loans, to the extent of US $ 1 Billion. The financial support is for—

- Mainstreaming policy reforms and implementation framework.
- Building a facilitating legal, regulatory framework and
- Undertaking Institutional reforms and financial restructuring for sustainability.

(c) The Government conveyed their 'no objection' to the Ministry of Agriculture to the establishment of National Cooperative Bank of India (NCBI) in June 1993. The NCBI was registered under the Multi State Cooperative Societies Act, 1984 on August 5, 1993. Later on, at the instance of Reserve Bank of India (RBI), the word national was dropped from its proposed name and the proposed bank was named as Cooperative Bank of India (COBI).

†Original notice of the question was received in Hindi